

MR. SMALDONE: My name is David Smaldone. I am the President of Friends of Coal West. We have offices in Lakewood, Colorado. The Obama administration, which recently placed a temporary moratorium on new Federal coal leases, is trying to eliminate coal in the West. The Obama administration's ongoing regulatory efforts have sent coal prices into a tailspin. But, now Secretary Jewells pushed to hike the cost of coal leasing royalties is set to deliver another punch, making it more expensive to operate a coalmine and subsequently raise the price of electricity for all consumers. As President of Friends of Coal West, I oppose the ongoing campaign to mislead the American people on coal and the Obama administration's unceasing efforts to drive up rates with backdoor taxes on electricity, as does my association. Rates paid on Federal coal are excessive. Coal producers pay 40 percent of the selling price of coal in taxes, fees, and royalties. And there is no justification to increase royalty or leasing rates. To increase these rates will leave less revenue for States and communities. Fewer jobs, higher energy prices, and will hit all Americans in the checkbook. Education programs, road, and public safety will suffer, as well. If the Federal Government is interested in, in maximizing their return on investment for taxpayers, it would incentivize development of Federal coal by reducing royalties and other fees, making permitting processes more efficient, and basing bonus bids on the amount of coal that is actually recoverable. The moratorium is shortsighted and dangerous to our nation's economy and national security. It is imperative that the backbone of our electric grid be allowed to continue. And coal is the answer. Thank you. MR.

RAGAN: Good afternoon. My name is Larry Ragan. I'm with Wagner Equipment Company, Caterpillar dealer in Colorado, New Mexico, and far West Texas. I'd like to make a couple of comments. And currently coal is the lowest cost and reliable and -- a reliable source of energy. World demand for energy is projected by the IEO 2016 report, to grow by 69 percent in 2040. Our electric grid is operated in a capacity and only, and only adding intermittent, costly sources, such as the renewables to it will result in more expensive and unreliable electric grid. Current programs are making it unprofitable to produce coal. As is evidenced by the fact that two coal mines recently have closed down in Colorado. They ceased operations. Two other mines are in bankruptcy proceedings. Hundreds of

miners have been laid off in the last two years. And these were jobs that were good-paying, safe, and healthy jobs. This has affected the economies in the local area and made it very difficult for those families to replace the income that they had. These incomes cannot be replaced by minimum-wage jobs in service sectors. The current lease rate for BLM land, when all taxes -- it's been stated before, are included -- bonus bids approaches 40 percent of the total revenue. So, by any thought of increasing these costs will only do one of two things. It will drive more companies out of business. Or it will increase their cost -- what they charge. And the only way to recover it would be to recover -- increase rates of energy consumption to us, the consumer. One other thing I would like to point out -- it was mentioned earlier. That the transition from force energy to coal energy was -- happened over a period of time. The big difference is it wasn't government policies that drove that change. It was the market change that caused that, that to happen. So, that's, that's -- thanks for your time.